



# MALAYSIAN TIMBER CERTIFICATION COUNCIL

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## TO WHOM IT MAY CONCERN

### PRESS RELEASE

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### For Immediate Release

#### **Efforts towards sustainable forestry management undermined by SMK decision**

The Malaysian Timber Certification Council (MTCC) regrets the decision of the SMK Board of Appeal to uphold the October 2010 Revised Final Judgement of the Timber Procurement Assessment Committee (TPAC) on the Malaysian Timber Certification Scheme (MTCS).

“MTCC concludes that the outcome of this process undermines the efforts, especially by developing tropical forest countries like Malaysia, to implement timber certification as a market-linked tool to achieve the sustainable management of their natural forests. As a voluntary timber certification scheme that has been developed through a Malaysian multi-stakeholder process, the MTCS is unfortunately held responsible by SMK for issues that are inherent to the Malaysian constitutional, legal and political system. Secondly, the SMK unfortunately chose not to take into consideration the additional measures to address the TPAC concerns that have been agreed between MTCC and the Dutch State Secretary Mr. Joop Atsma,” said Mr. Chew Lye Teng, Chief Executive Officer of MTCC.

In November 2010, both the TPAC as well as Mr. Atsma had acknowledged that the MTCS conforms to most of the Dutch Procurement Criteria, but that MTCC should further strengthen the on-the-ground interpretation and compliance with the criteria relating to the rights of indigenous peoples, conversion of certified forests and access to maps of the certified forests.

Despite the fact that the Dutch State Secretary has yet to finalize his intention to accept the MTCS, MTCC has fulfilled its commitments and already implemented and issued its instructions to the certified Forest Management Units (FMUs) and certification bodies who are responsible for the independent auditing of the forests under the MTCS. These measures, which were implemented in February 2011, are:

- Additional instructions to ensure that the traditional uses of the forest by the indigenous peoples are respected;
- Additional instructions to ensure that forest areas scheduled for conversion are excluded from the certified forests, and that any additional conversion will lead to the suspension or withdrawal of the certificate; and
- Additional instructions to ensure that certified FMUs make detailed maps of the certified forest areas accessible to stakeholders who wish to examine them.

Furthermore, MTCC has also agreed that the forthcoming surveillance audits of the certified FMUs will explicitly address the above three instructions, and incorporate the findings in a transparent manner in the audit report.

The MTCS started operating in 2001 as a scheme to conduct independent assessments for forest management and chain of custody certification, and award certificates for sustainably produced timber products. The recognition of the MTCS by the Dutch government under the Sustainable Sourcing programme would have been an important incentive to further strengthen the efforts to achieve sustainable forest management in Malaysia. The current decision by SMK sends a wrong signal to the Malaysian timber industry on the market benefits of manufacturing and exporting certified products under the MTCS.

The Netherlands is the largest market for Malaysian timber and related products in the EU and accounts for about 49% of the cumulative exports of certified timber products under the MTCS. Contrary to the SMK ruling, the Danish, British, French and UK governments and the German municipality of Hamburg have recognised the MTCS as providing assurance of sustainable timber. In addition the Keurhout system in The Netherlands has accepted the MTCS under the *Protocol for Legal Origin*, and specific certificates under the *Protocol for Sustainable Forest Management*.

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**Editor Notes:**

**Malaysian Timber Certification Council (MTCC)**

MTCC was established to develop and operate a voluntary national timber certification scheme, the Malaysian Timber Certification Scheme (MTCS), in order to provide independent audits of forest management practices to ensure sustainable forest management in Malaysia as well as to meet the market demand for certified timber products. In May 2009, the MTCS was endorsed by the Programme for the Endorsement of Forest Certification schemes (PEFC), the largest forest certification programme in the world. Currently, nine Forest Management Units (FMUs) covering a total area of 4.65 million hectares of permanent forests in Malaysia are PEFC-certified under the MTCS. 178 timber manufacturers and exporters have been awarded the chain of custody certificate which qualifies them to supply PEFC-certified timber products to the market.